



POLICY FOR AUDITING & CERTIFICATION TO TQCSI ESG CODE

In addition to the General Policy which applies to all Standards, this policy describes interpretations of the requirements for auditing and certification of ESG management systems to the TQCSI ESG Code made by TQCSI's Certification Approval Panel. It complements TQCSI Work Instruction 65 (ESG Code) which should also be referred to by auditors when auditing clients' environmental, social and governance management systems.

A **Major nonconformance** is to be raised where:

- a previously raised minor nonconformance relevant to the ESG Declaration has not been resolved
- three or more ESG goals declared in the ESG Declaration have not been met
- there is a breach of multiple ESG related legislative, statutory, regulatory or contractual requirements.

Timeframe for major nonconformances

The time frame for the client to satisfactorily address a major nonconformance is normally to be three months.

A **Minor nonconformance** is to be raised where:

- the ESG Declaration has not been reviewed on an annual basis
- an ESG goal declared in the ESG Declaration has not been met
- there is a breach of an ESG related legislative, statutory, regulatory or contractual requirement.

Approved: ***original signed***

Craig Bates
Managing Director & President, TQCSI

Date: 28 August 2024